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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

DEPT OF TRANSPORTATION

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Application of

**BOSTON-MAINE AIRWAYS CORP.**

for issuance of a certificate of public  
convenience and necessity pursuant to  
49 U.S.C. §41102

Docket OST-00-7668 — 2

**SUPPLEMENT NO. 1 TO APPLICATION OF  
BOSTON-MAINE AIRWAYS CORP.**

Communications with respect to this document should be sent to:

John R. Nadolny  
Senior Vice President and  
General Counsel  
**BOSTON-MAINE AIRWAYS CORP.**  
Pease International Tradeport  
14 Aviation Avenue  
Portsmouth, NH 03801  
(603) 766-2000

Nathaniel P. Breed, Jr.  
**SHAW PITTMAN**  
2300 N Street, N.W.  
Washington, D.C. 20037  
(202) 663-8078

Attorneys for  
**BOSTON-MAINE AIRWAYS CORP.**

August 16, 2000

975986

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Application of	:	
	:	
<b>BOSTON-MAINE AIRWAYS CORP.</b>	:	Docket OST-00-7668
	:	
for issuance of a certificate of public	:	
convenience and necessity pursuant to	:	
49 U.S.C. §41102	:	

August 16, 2000

**SUPPLEMENT NO. 1 TO APPLICATION OF  
BOSTON-MAINE AIRWAYS CORP.**

Boston-Maine Airways Corp. ("BMAC") hereby submits this Supplement No. 1 to its July 19, 2000 Application for issuance of a Certificate of Public Convenience and Necessity authorizing BMAC to engage in interstate scheduled service operations, in response to the questions and requests contained in the letter dated August 11, 2000 from Ms. Janet A. Davis of the Department's Air Carrier Fitness Division to counsel for BMAC (attached hereto as Attachment A).

In response to the Fitness Division Letter, BMAC states as follows:

I. GENERAL MATTERS

A. Aircraft Fleet and Utilization

BMAC plans to operate a fleet of ten (10) Jetstream 3100 19-seat passenger aircraft and two (2) CASA-212 freighter aircraft by the end of its first year of certificated operations. Six (6) Jetstream aircraft will be used primarily in scheduled service (three aircraft dedicated to each city-pair market), including two Jetstreams which will serve as spares to back up the primary four-aircraft scheduled service fleet. The two Jetstream spares may be used for occasional charter flights, when such use is not incompatible with their back-up spare availability. The remaining four (4) Jetstreams will be used for ad hoc and contract passenger charter service.

The two CASA-212 aircraft will continue to be used exclusively for ad hoc and contract cargo operations. BMAC has no current plans to acquire any additional CASA-212 aircraft during the next 12 months.

B. FAA Part 121 Certification

A copy of BMAC's Preapplication Statement of Intent, filed with the FAA on February 3, 2000, is attached as Exhibit BMA-S/1-1. Since the date of that filing, BMAC has experienced certain changes in key operating personnel, as described in Section II.C. below.

C. Aircraft Accident Family Assistance Plan

BMAC is in the process of developing an Aircraft Accident Family Assistance Plan, which will be filed with the DOT and NTSB as soon as it has been completed. BMAC will file a notice in the Docket of this application as soon as its Accident Plan has been filed.

II. MANAGEMENT AND KEY OPERATIONS PERSONNEL

A. Organizational Chart

A chart depicting the key management and operational positions and reporting relationships at BMAC is set forth in Exhibit BMA-S/1-2.

B. Executive Management

Mr. David A. Fink will hold the position of President and member of the board of directors with both BMAC and its sister company, Pan American Airways ("Pan Am"), as well as with the holding company parent of both air carrier subsidiaries, Pan American Airlines ("PAA"). Mr. Fink devotes his primary attention to Pan Am, and he has delegated day-to-day responsibility for the operation and management of BMAC to Mr. Gordon R. Long, who now serves as Vice President and General Manager of BMAC.

As noted below, Mr. Long no longer holds the additional position of Director of Operations of BMAC. That position is now filled by Mr. John J. Hughes, who previously held the position of Chief Pilot with BMAC.

Arlington Leasing, which is now known as Arlington Leasing, d/b/a Pan Am Services, is principally involved in operating an FBO facility at Pease International Tradeport in Portsmouth, New Hampshire, under the direction of its General Manager, Brian Pollock. Mr. Long's ongoing management responsibilities at Arlington Leasing are very limited, and do not conflict with, or divert his attention from, his primary duties as senior operating officer of BMAC.

The change in the positions held by Mr. Long have eliminated the need for FAA review and approval of his prior holding of dual positions as General Manager and Director of Operations with BMAC, and as General Manager of Arlington Leasing.

C. Key Operating Personnel

In order to resolve the issue created by dual positions with both BMAC and Pan Am held by several of BMAC's initial key operating personnel, BMAC has substantially revised its roster of key operations personnel subsequent to the date of its

initial application in this proceeding. The current roster of BMAC's key operating personnel is as follows:

<b><u>Name</u></b>	<b><u>Position</u></b>
John J. Hughes	Director of Operations
Robert C. Nessa	Director of Safety
Timothy J. Donovan	Director of Maintenance
Stewart J. Beck	Chief Inspector
Christopher S. Chapman	Chief Pilot

The foregoing personnel changes render moot the Fitness Division questions with respect to Messrs. Livingston, Alm and Herring, all of whom are no longer employed by BMAC. Copies of the biographical resumes and fitness information questionnaires relating to each of the new key operating personnel of BMAC are set forth in Exhibit BMA-S/1-3. The resume and fitness questionnaire for Mr. Hughes were submitted with BMAC's initial application in this proceeding (Exhibit BMA-112).

BMAC believes that all of its current key operations personnel meet the qualifications specified in 14 CFR Part 119 for the positions they hold. Each of those individuals have been approved by the FAA to serve in the positions they hold during the pendency of BMAC's Part 121 certification process.

### III. FINANCIAL POSITION

#### A. Prior Financial Statements

BMAC did not prepare an Income Statement for the six months ended December 31, 1999. A copy of BMAC's Balance Sheet as of December 31, 1999, is set forth in Exhibit BMA-S/1-4.

#### B. Credit Facility

The \$500,000 credit facility referred to in BMAC's initial application is a commitment by its parent corporation, Pan American Airlines ("PAA"), to provide up to that level of financial support to BMAC if necessary. At this point, BMAC has made no drawings against that credit facility. The existence of that credit facility could have been mentioned in a Note to BMAC's Balance Sheet, but it need not have been listed as either an asset or liability on BMAC's June 30, 2000 Balance Sheet. The terms applicable to the \$500,000 credit facility are contained in a Credit Line Agreement dated June 1, 2000 between BMAC and PAA. That Agreement is set forth in Exhibit BMA-S/1-5.

#### C. Bank and Brokerage Account Statements

A copy of the current bank account and brokerage account statements of BMAC and PAL are set forth in Exhibits BMA-S/1-6 and BMA-S/1-7, respectively.

D. Assets Held for Disposition

The asset identified as “Assets Held for Disposition” on the Balance Sheets of BMAC and PAL consists of two inventories of aircraft parts which are held by BMAC and PAL for sale to other airlines and aircraft operators. Those inventories are valued at fair market value on the Balance Sheets of BMAC and PAL. Sales of such parts occur frequently, and those regular sales establish the market value of that parts inventory. There is no overlap between the value of the parts inventories shown on the two corporations’ Balance Sheets.

IV. COMPLIANCE DISPOSITION

A. PFC Obligations

In the course of its current scheduled and charter operations, Pan American Airways (“Pan Am”) provides scheduled service to no U.S. airports which are authorized to impose and collect Passenger Facility Charges (“PFC’s”) , and serves PFC-charging airports only sporadically in the course of its ad hoc passenger charter operations. Pan Am is current in its obligation to collect, remit and report all PFC’s collected by Pan Am. Pan Am has settled and paid all of the pre-bankruptcy PFC claims filed against it by Chicago Midway, Palm Beach and Fort Lauderdale Airports. Final settlement of the Orlando PFC claim, based on payment of \$1,780 to Orlando in exchange for assignment to Pan Am of Orlando’s \$3,557.16 PFC Claim in the prior Pan Am bankruptcy proceeding, was agreed upon between Orlando and Pan Am in



November 1999, but has not yet been concluded. That delay is solely due to internal delays by Orlando in transmitting the Assignment of its claim to Pan Am. Counsel for Pan Am has been advised by counsel for Orlando that transmittal of that Assignment has been delayed by other unrelated complications affecting other parts of Orlando's General Creditor's Claim, and that he expects to transmit Orlando's executed Assignment of Claim relating only to the PFC portion of its claim, to Pan Am in the near future.

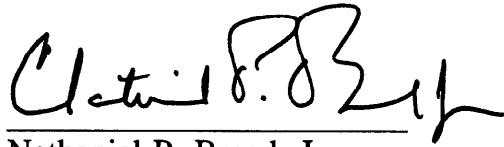
B. Verification

A Title 18 Certification in the form specified in 14 CFR Part 204.3(v), verifying the accuracy and completeness of the information contained in this Supplement and executed by a duly authorized officer of BMAC, is set forth in Exhibit BMA-S/1-8.

BMAC submits that the foregoing information and attached documents constitute a complete response to each of the questions and requests contained in the August 11, 2000 letter from the Department's Fitness Division. Accordingly, BMAC respectfully requests the Department to issue a certificate of public convenience and

necessity to BMAC authorizing it to provide scheduled interstate air transportation in time to enable BMAC to commence scheduled service operations on or about October 15, 2000.

Respectfully submitted,

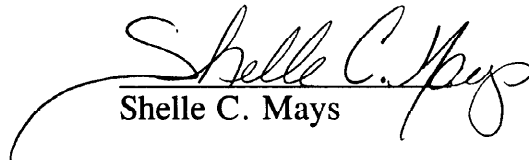


Nathaniel P. Breed, Jr.  
SHAW PITTMAN

Attorneys for  
BOSTON-MAINE AIRWAYS CORP.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Supplement No. 1 to Application of Boston-Marine Airways Corp. by messenger, telecopier transmission or United States mail, properly addressed and with postage prepaid, upon each of the persons listed in the Service List attached hereto.

  
Shelle C. Mays

Washington, D.C.  
August 16, 2000  
975986

## INDEX OF EXHIBITS

<u>Exh. No.</u>	<u>Title of Exhibit</u>
BMA S/1-1	Boston-Maine Airways Preapplication Statement of Intent
BMA S/1-2	BMAC Organizational Chart
BMA S/1-3	Resumes and Fitness Questionnaires – Key Operations Personnel
BMA S/1-4	BMAC Balance Sheet as of December 31, 1999
BMA S/1-5	Credit Line Agreement dated June 1, 2000
BMA S/1-6	BMAC Checking Account Statement as of June 30, 2000
BMA S/1-7	Pan Am Checking Account Statements as of June 30, 2000
BMA S/1-8	Title 18 Certification signed August 15, 2000





## **Boston-Maine Airways**

14 Aviation Avenue  
Portsmouth, N.H. 03801  
Tel: (603) 766-2032  
Fax: (603) 766-2225

February 3, 2000

Bob Dziadzio  
F.A.A. - FSDO  
2 Al McKay Avenue  
Portland, ME 04102


Ref: Preapplication Statement of Intent

Dear Mr. Dziadzio

Enclosed is FAA Form 8400-6 - "Preapplication Statement of Intent" as it pertains to Boston-Maine Airways, Inc., application for an Air Carrier Certificate for FAR Part 121 scheduled passenger operations.

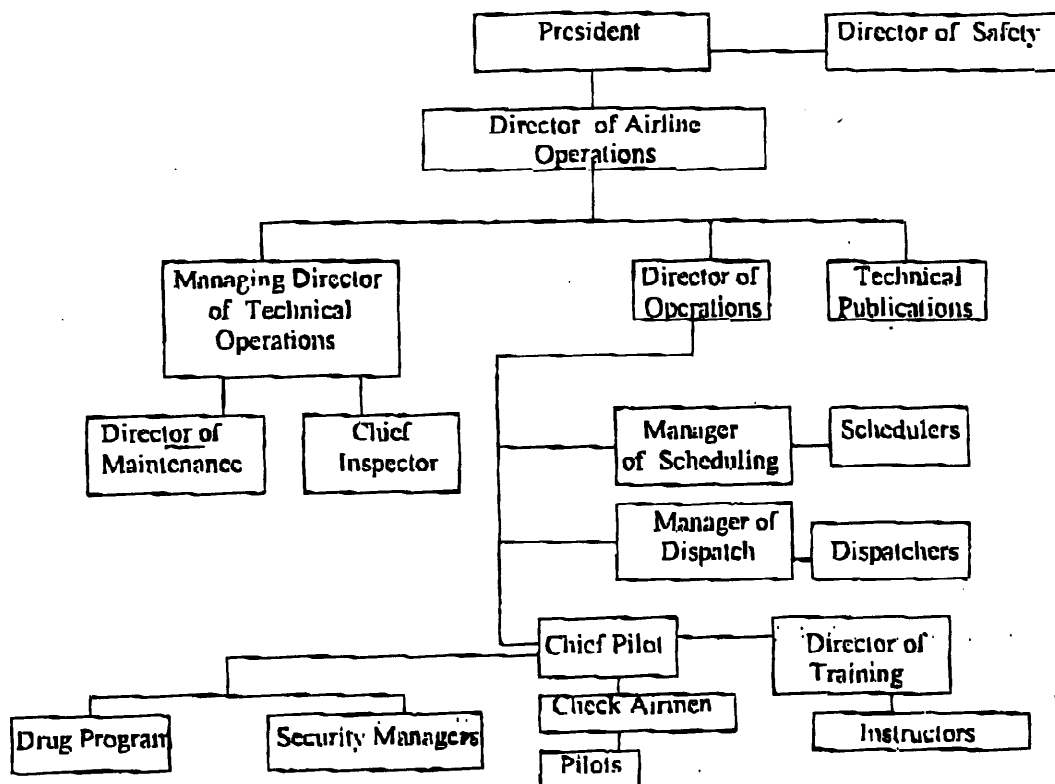
If you have any questions, or need any further information, please advise.

Regards

  
Gordon R. Long  
Director of Operations

enc.

## BOSTON - MAINE AIRWAYS GENERAL OPERATIONS MANUAL

**CHAPTER: 2 ORGANIZATIONAL CHART****SECTION: 1**

**ROBERT C. NESSA**

380 Lafayette Rd. #11-236, Seabrook, NH 03874

Telephone: (603) 766-2041 message: (815) 664 2819

E-mail: nessarobert@hotmail.com

**Objective**

To secure a challenging position in aircraft maintenance which will enable me to utilize fully my maintenance skills, technical training, and experience while contributing to the overall goals of an organization.

**Qualifications**

Over 21 years experience in Aircraft Structural Assembly, Modifications, Repairs and Servicing, both commercial and military aircraft, including 10 years in Materiel & Process Engineering, Facilities Engineering. Highly skilled at Sheetmetal & Composite Repairs, Structures Assembly, Part Fabrication, Hand & Machine forming of flat pattern to build and shape repair parts, Tool & Process Development, Facilities Management & Contract Facilitator. Extensive experience performing heavy "D" & "C" Checks at FAA certified repair facilities.

Aircraft Experience include Boeing 727, 737, 747, 757, MD-80, MD-90, DC-10, DeHavilland Dash 7, B-1, B-2, TR-1, F-117, SR-71, Jetstream 31, Casa 212-200.

**Work History**

08/99 to Pres. Pan American Airlines, Inc. Portsmouth, New Hampshire.  
(Direct & Contract with Planetechs Inc.) Safety Manager, Structures Mechanic  
Responsible for Company Safety Office, (personnel, facility & vehicle), Hazardous  
Waste Management, Employee Safety Training (development & implementation), Part-  
time Aircraft Mechanic responsible for structural repairs, part layout & fabrication,  
Boeing Service Bulletins which include Gross weight modifications, installation and  
repairs, Heavy "C & D" checks, and painting. Interiors repair and installation, composite  
repair, systems repair and checkout, aircraft line maintenance.

02/99 to 06/99 Aeronavali Venice, Italy.  
(Contract with N.A.A.S. Inc) Structures Mechanic  
Performed structural repairs and modifications for Gross weight modification, Fuel  
systems installation and repair and checkout, aircraft line maintenance. Wing  
reinforcement for cargo conversions on Federal Express McDonnell Douglas MD-10  
aircraft.

10/98 to 01/99 BF Goodrich Aerospace Everett, Washington  
(Contract with PlaneTechs) Structures Mechanic  
Performed Heavy "D" & "C" checks, accomplished extensive Airframe Structural  
Repairs & Skin Panel Repairs, including removals and replacement, systems repair and  
checkout, aircraft line maintenance. Interiors Refurbishment & Corrosion Removal

**ROBERT C. NESSA**

Page 2

05/96 to 10/98           Avtel Services Inc.   Mojave, California.

(Direct)           Structures Mechanic

Performed Heavy "C & D" checks on McDonnell Douglas DC-10, MD-80 and MD-90 aircraft, systems repair and checkout, aircraft line maintenance. Accomplished extensive Airframe Structural Repairs & Skin Panel Repairs. Worked Hush Kit Modifications, Interiors & Corrosion treatment.

05/86 to 05/96           Northrop Grumman Corp. B-2 Div.,   Palmdale, California.

(Direct)           Facilities Project Engineer. Sr., Mfg. Tech. Engineer Sr.

Design Develop Fabricate Process Techniques & Equipment for structures assembly/fabrication. Project design fabrication testing, process development, validation & implementation, project documentation, presentation, cost estimations funding acquisition, procurement & fabrication control, construction management & inspection Verify compliance with Project Vehicle Safety, OSHA and EPA. Projects included lightening strike protection application, composite repair techniques & equipment development, structure assembly techniques.

12/79 to 05/86           Lockheed Corp.,   Palmdale, California.

(Direct)           Structures Mechanic

Performed airframe structural assembly, systems installations & checkouts. Sheetmetal & composite fabrication and repairs, Parts fabrication, including hand & machine forming of flat pattern to build and shape assembly/repair parts.

05/84 to 09/85           Teledyne Ryan Corp.,   San Diego, California.

(Direct)           Mfg. Supervisor

Performed airframe structural assembly, systems installations & checkouts. Sheetmetal Parts fabrication, including hand & machine forming of flat pattern to build and shape assembly/repair parts.

03/83 to 05/84           Rockwell International Corp., Palmdale, California.

(Direct)           Mfg. Supervisor, Sheetmetal Mechanic

Managed airframe structural assembly, systems installations & checkouts. Sheetmetal & composite fabrication and repairs, Parts fabrication, including hand & machine forming of flat pattern to build and shape assembly/repair parts.

**Education**

Certificates for FAA FAM: MD-80 / -90 & B-727 / 737 aircraft.

3 years College

**COMPUTER SKILLS:** Certified for CADAM & INTERGRAPH Computer Drafting. 10 years of experience. Highly skilled on IBM & Macintosh Systems, including networking, software & hardware installation.



**BOSTON-MAINE AIRWAYS CORP.**  
**DOT Fitness Information Questionnaire**

NOTE: This questionnaire will be submitted to the DOT in connection with BMA's DOT certification application. Please answer all questions, with a more detailed explanation where requested, sign and date the form, and return it to Nat Breed at Shaw, Pittman via telecopier (202/663-8007) or air express service (2300 N Street, N.W., Washington, D.C. 20037). Please indicate if you desire for any part of your response to be kept confidential.

1. Please state your name and residence address:

Robert Nessa  
380 LaFayette Rd # 11-236  
Seabrook, NH 03874

2. Title or Position with Company:

DIRECTOR  
Manager of Safety, Pan Am d/b/a Boston MAINE

3. Number and type of shares of Company stock owned, or to be acquired, if any:

0

4. Current Position, Business Address and Telephone: (complete only if you are not currently employed on a full-time basis by the Company)

Safety Manager Tel 603-766-2041  
14 Aviation Ave  
Portsmouth, N.H. 03801

5. Are you a citizen of the United States? Yes ✓ No

6. If you are not a U.S. citizen, please indicate your nationality and current immigration status

\_\_\_\_\_

-2-

## DOT Fitness Questionnaire

7. Are you currently an officer, director or major shareholder (5 percent or more of the total stock), or do you have any other significant interest in, any other air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? Yes ☐ No ☒

(If your answer is "yes", please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

8. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation-related business? Yes ☒ No ☐

(If "yes", please provide information regarding all positions held, with dates of employment and responsibilities, and any other relevant information, on Attachment A, or attach a copy of a recent resume to this Questionnaire). *See Attach. Resume*

9. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? Yes ☐ No ☒

(If "yes", please provide date and amount of each claim or judgment, and the name of each claimant or judgment creditor, in the space provided in Attachment A).

10. Are you the subject of any pending legal action, or outstanding judgment, involving a claim of less than \$5,000? Yes ☐ No ☒

(If "yes", please supply the total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A).

11. Have you been the subject of a formal complaint or enforcement investigation by the DOT or the FAA regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? Yes ☐ No ☒

(If "Yes", describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A).

12. Have you been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation, during the past ten (10) years? Yes ☐ No ☒

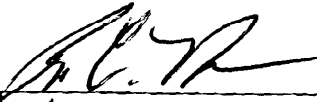
(If "yes", please describe, and indicate the disposition or current status of each proceeding in the space provided in Attachment A).

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**DOT Fitness Questionnaire**

13. Have you been involved in any aircraft accident or incident during the past year, or in the past and which remains the subject of an open investigation by the FAA, NTSB or the Company? Yes \_\_\_\_\_ No X

(if "yes", please state the date and other details, including the status of any pending investigations, in the space provided in Attachment A).

  
\_\_\_\_\_  
Signature

Robert Nacca  
\_\_\_\_\_  
Printed Name

**Attachments**

# Timothy J. Donovan

(603) 433-4679  
563 Sagamore Avenue #5  
Portsmouth, NH 03801

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## *Certification & Qualifications*

- 8 years of FAA Certified Airframe & Powerplant Mechanics on heavy aircraft.
- 4 years of supervisory experience.
- Excellent communications skills, proficient in Microsoft Office 97, Word, and Project.
- Strong time management methods allowing for handling of multiple tasks, while remaining highly attentive to details, follow-through and time constraints.

## *Experience*

### *1999-Present Pan Am Portsmouth, NH Heavy Maintenance Supervisor*

- Ensuring the continued air worthiness of company aircraft in accordance with FARs, provisions of Pan Am maintenance program and manual systems.
- Supervise and coordinate Lead Mechanics assigned to aircraft servicing, routine tasks, non-routine discrepancy corrections, maintenance procedures, and work scheduling.

### *1998-1999 Pan Am Portsmouth, NH Lead Mechanic*

- Set up initial work packages for orderly and necessary flow of tasks to accomplish maintenance activities as scheduled.
- Continually monitored and adjusted flow of tasks as required.
- Assigned tasks and closely monitored all phases of work during heavy maintenance checks on company aircraft.

### *1998-1998 Kitty Hawk Inc. Portsmouth, NH Line Maintenance Representative*

- Performed daily preventive maintenance and preflight checks.
- Responsibilities included sheet metal work, engine and electronic troubleshooting.

### *1997-1998 American International Airways Portsmouth, NH Line Maintenance Representative*

- Main responsibilities included evaluating logbook discrepancies and outlined corrective action with maintenance control.
- Performed terminating services and preflight checks.
- Additional responsibilities included sheet metal work, engine and avionics troubleshooting.

### *1994-1997 DMC Enterprises, Inc. Portsmouth, NH Sole Proprietor and Line Maintenance Representative*

- Responsible for all phases of operating a small business.
- Developed relationships with potential clients and vendors.
- Scheduled manpower to meet time definite departures of several fleets.
- Performed defined operations as per FARs, DMC maintenance procedures, and the policies of individual companies.

## *Education*

1990-1992 East Coast Aero Technical School Lexington, MA  
*FAA Certified Airframe and Powerplant - Graduated with Honors*

**BOSTON-MAINE AIRWAYS CORP.**  
**DOT Fitness Information Questionnaire**

NOTE: This questionnaire will be submitted to the DOT in connection with BMA's DOT certification application. Please answer all questions, with a more detailed explanation where requested, sign and date the form, and return it to Nat Breed at Shaw, Pittman via telecopier (202/663-8007) or air express service (2300 N Street, N.W., Washington, D.C. 20037). Please indicate if you desire for any part of your response to be kept confidential.

1. Please state your name and residence address:

Timothy J. Donovan  
563 SAGAMORE AVE #5  
PORTSMOUTH NH 03801

2. Title or Position with Company:

DIRECTOR OF MAINTENANCE

3. Number and type of shares of Company stock owned, or to be acquired, if any:

NONE

4. Current Position, Business Address and Telephone: (complete only if you are not currently employed on a full-time basis by the Company)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Are you a citizen of the United States?

Yes X No   

6. If you are not a U.S. citizen, please indicate your nationality and current immigration status

    
\_\_\_\_\_

-2-

DOT Fitness Questionnaire

7. Are you currently an officer, director or major shareholder (5 percent or more of the total stock), or do you have any other significant interest in, any other air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? Yes ☐ No ☒

(If your answer is "yes", please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

8. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation-related business? Yes ☒ No ☐

(If "yes", please provide information regarding all positions held, with dates of employment and responsibilities, and any other relevant information, on Attachment A, or attach a copy of a recent resume to this Questionnaire).

9. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? Yes ☐ No ☒

(If "yes", please provide date and amount of each claim or judgment, and the name of each claimant or judgment creditor, in the space provided in Attachment A).

10. Are you the subject of any pending legal action, or outstanding judgment, involving a claim of less than \$5,000? Yes ☐ No ☒

(If "yes", please supply the total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A).

11. Have you been the subject of a formal complaint or enforcement investigation by the DOT or the FAA regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? Yes ☐ No ☒

(If "Yes", describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A).

12. Have you been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation, during the past ten (10) years? Yes ☐ No ☒

(If "yes", please describe, and indicate the disposition or current status of each proceeding in the space provided in Attachment A).

-3-

**DOT Fitness Questionnaire**

13. Have you been involved in any aircraft accident or incident during the past year, or in the past and which remains the subject of an open investigation by the FAA, NTSB or the Company? Yes      No X

(if "yes", please state the date and other details, including the status of any pending investigations, in the space provided in Attachment A).

  
Signature

Timothy J. Donovan  
Printed Name

**Attachments**

## *Stewart J. Beck*

329 Wadleigh Falls Road  
Newmarket, NH 03857  
(603) 659-8105

### **Education**

1991 - 1992

#### **New Hampshire Technical College**

*Stratham, NH*

Associate Degree in Applied Science. Phi Theta Kappa.

1982 - 1983

#### **East Coast Aerotechnical School**

*Bedford, MA*

Graduated with High Honors. Airframe and Powerplant certificates.

### **Summary of Qualifications**

- ☐ Possess an Inspection Authorization.
- ☐ Knowledgeable on Microsoft and Lotus business software.
- ☐ Extensive experience in aircraft maintenance on both fixed and rotary wing craft.
- ☐ Six years experience in Quality Control supervision / management in Part 135 and Part 145 operations.

### **Work Experience**

1/00 - Present

#### **Pan American Airways Corp.**

*Portsmouth, NH*

*Quality Assurance Representative*

Promoted to Quality Assurance Representative January 2000. Design and maintain databases to track and evaluate information as needed. Responsible for auditing of vendors, auditing of maintenance records, evaluating teardown reports for repaired components, and consulting on Continuing Analysis and Surveillance Program issues.

3/99 - 1/00

#### **Pan American Airways Corp.**

*Portsmouth, NH*

*Structures Lead*

Promoted to Structures Lead March 1999. Responsible for assigning work, assuring proper and timely completion of assignments, maintaining cleanliness and safety in the work area.

11/98 - 3/99

#### **Pan American Airways Corp.**

*Portsmouth, NH*

*Structures Technician*

Structures technician performing sheetmetal maintenance and repair on Boeing 727 aircraft. Performed the duties of Structures Lead on a fill-in basis for Third Shift.



8/93 - 11/98

**General Aviation Services, Inc.**

***Beverly, MA***

*Director of Maintenance / Chief Inspector*

Director of Maintenance for Part 135 and Chief Inspector Part 145 operations. Responsibilities include: schedule work, supervise technicians, maintain technical library, procure parts, write job estimates, monitor job costs, and perform maintenance.

4/92 - 8/93

**Skymaster / Atlantic North Airlines**

***Laconia, NH / Rutland, VT***

*Quality Control Manager*

135 operation maintaining Beech 99 aircraft. Developed and maintained computer maintenance tracking. Instituted inventory control system. Performed maintenance on aircraft.

1986-1988

**East Coast Aerotechnical School**

***Bedford, MA***

*Technical Instructor*

Lectured and supervised shop time. Maintained shop equipment. Fabricated shop equipment at substantial cost savings.

1984-1986

**Petroleum Helicopters, Inc.**

***Lafayette, LA***

*Senior Airframe and Powerplant Mechanic*

Performed maintenance and inspections on various makes and models of helicopters.

1979-1981

**United States Coast Guard**

***Coast Guard Air Station Cape Cod, Otis AFB, Bourne, MA***

Search and Rescue Flight Crewman on HH-52A helicopters. Helicopter Maintenance.

**BOSTON-MAINE AIRWAYS CORP.**  
**DOT Fitness Information Questionnaire**

NOTE: This questionnaire will be submitted to the DOT in connection with BMA's DOT certification application. Please answer all questions, with a more detailed explanation where requested, sign and date the form, and return it to Nat Breed at Shaw, Pittman via telecopier (202/663-8007) or air express service (2300 N Street, N.W., Washington, D.C. 20037). Please indicate if you desire for any part of your response to be kept confidential.

1. Please state your name and residence address:

Stewart J. Beck  
329 Wadleigh Falls Rd.  
Newmarket, NH 03857

2. Title or Position with Company:

Chief Inspector

3. Number and type of shares of Company stock owned, or to be acquired, if any:

4. Current Position, Business Address and Telephone: (complete only if you are not currently employed on a full-time basis by the Company)

Quality Assurance Representative  
Pan American Airways Corp.  
14 Aviation Ave, Portsmouth, NH 03801 (603)766-2244

5. Are you a citizen of the United States? Yes ☒ No ☐

6. If you are not a U.S. citizen, please indicate your nationality and current immigration status

-2-

## DOT Fitness Questionnaire

7. Are you currently an officer, director or major shareholder (5 percent or more of the total stock), or do you have any other significant interest in, any other air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? Yes ☐ No ☒

(If your answer is "yes", please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

8. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation-related business? Yes ☒ No ☐

(If "yes", please provide information regarding all positions held, with dates of employment and responsibilities, and any other relevant information, on Attachment A, or attach a copy of a recent resume to this Questionnaire).

9. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? Yes ☐ No ☒

(If "yes", please provide date and amount of each claim or judgment, and the name of each claimant or judgment creditor, in the space provided in Attachment A).

10. Are you the subject of any pending legal action, or outstanding judgment, involving a claim of less than \$5,000? Yes ☐ No ☒

(If "yes", please supply the total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A).

11. Have you been the subject of a formal complaint or enforcement investigation by the DOT or the FAA regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? Yes ☐ No ☒

(If "Yes", describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A).

12. Have you been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation, during the past ten (10) years? Yes ☐ No ☒

(If "yes", please describe, and indicate the disposition or current status of each proceeding in the space provided in Attachment A).

-3-

**DOT Fitness Questionnaire**

13. Have you been involved in any aircraft accident or incident during the past year, or in the past and which remains the subject of an open investigation by the FAA, NTSB or the Company? Yes ☐ No ☒

(if "yes", please state the date and other details, including the status of any pending investigations, in the space provided in Attachment A).

  
Signature

Stewart J. Beck  
Printed Name

Attachments

**CHRISTOPHER S. CHAPMAN**

98 Dennett Street  
Portsmouth, New Hampshire 03801  
(603) 422 - 0462

Exhibit BMA-S/1-3

Page 15 of 18

<b>Certificates/ Ratings</b>	Airline Transport Pilot: Commercial privileges: Instrument flight instructor: Type rating: FAA medical certificate: FCC operator permit: USCG licensed master:	Airplane MEL Airplane MEL/SEL Airplane MEL/SEL BA-3100 First class 1/00 Restricted radio telephone Aux Sail/Towing
<b>Flight Experience as of 8/00</b>	Total Hours      4250 Multi Engine      2870 Instrument          645 Night                565 Turbine              205	PIC                    3645 Flight Instructor    1085 SIC                    430 Motor Glider        12 Multi Engine Sea    12
<b>Education</b>	Daniel Webster College - Nashua, New Hampshire B.S. Aviation Management/Flight Operations  New England Maritime - Hyannis, Massachusetts USCG approved 100 ton Near Coastal Master training course	
<b>Employment</b>	Pan Am / Boston and Maine Airways - Portsmouth, New Hampshire Captain / Director of Training / Helping company transition from an on demand charter operation to a Part 121 commuter airline utilizing Jetstream 31 aircraft. April 2000 - present  Cape Air / Nantucket Airlines - Hyannis, Massachusetts Captain / Line Check Airman / Ground, Sim, Flight Instructor / I.O.E. Part 135 scheduled commuter airline - CE-402 February 1998 - March 2000  Wilton Investment Group - Nashua, New Hampshire First Officer - NA-265-60 Sabreliner October 1997 - February 1998  Air Transport, Inc. - Nashua, New Hampshire Captain / Training Department Part 135 on demand charter operation - PA-31-310/350. August 1995 - April 1998  Fitchburg Colonial Aviation - Fitchburg, Massachusetts Multi Engine Instructor - PA-23/250 - Part 141 flight school March 1995 - June 1997  Northeast Pilot Training Center - Nashua, New Hampshire Assistant Chief Flight Instructor - Part 141 flight school April 1994 - August 1995	
<b>Professional Training</b>	Simuflite - First officer training and flight check: NA-265-60 Sabreliner Flight Safety - Initial type rating: Jetstream 31	
<b>Personal</b>	Health - Excellent, non-smoker, current CPR/First Aid training. Activities - Open water diver, brown belt in Gojo Rhu Karate, Skiing, Boston based sailboat racing team crew, Golf, Jazz bass guitarist. References available upon request	

**BOSTON-MAINE AIRWAYS CORP.**  
**DOT Fitness Information Questionnaire**

NOTE: This questionnaire will be submitted to the DOT in connection with BMA's DOT certification application. Please answer all questions, with a more detailed explanation where requested, sign and date the form, and return it to Nat Breed at Shaw, Pittman via telecopier (202/663-8007) or air express service (2300 N Street, N.W., Washington, D.C. 20037). Please indicate if you desire for any part of your response to be kept confidential.

1. Please state your name and residence address:

Christopher S. Chapman

18 Clifton Road

Bedford, New Hampshire 03110

2. Title or Position with Company:

Chief Pilot

3. Number and type of shares of Company stock owned, or to be acquired, if any:

4. Current Position, Business Address and Telephone: (complete only if you are not currently employed on a full-time basis by the Company)

5. Are you a citizen of the United States?

Yes ☒ No ☐

6. If you are not a U.S. citizen, please indicate your nationality and current immigration status

N/A

-2-

## DOT Fitness Questionnaire

7. Are you currently an officer, director or major shareholder (5 percent or more of the total stock), or do you have any other significant interest in, any other air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? Yes ☐ No ☒

(If your answer is "yes", please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

8. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation-related business? Yes ☒ No ☐

(If "yes", please provide information regarding all positions held, with dates of employment and responsibilities, and any other relevant information, on Attachment A, or attach a copy of a recent resume to this Questionnaire).

9. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? Yes ☐ No ☒

(If "yes", please provide date and amount of each claim or judgment, and the name of each claimant or judgment creditor, in the space provided in Attachment A).

10. Are you the subject of any pending legal action, or outstanding judgment, involving a claim of less than \$5,000? Yes ☐ No ☒

(If "yes", please supply the total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A).

11. Have you been the subject of a formal complaint or enforcement investigation by the DOT or the FAA regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? Yes ☐ No ☒

(If "Yes", describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A).

12. Have you been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation, during the past ten (10) years? Yes ☐ No ☒

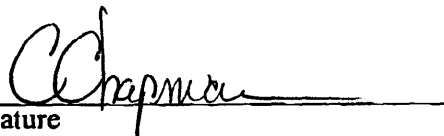
(If "yes", please describe, and indicate the disposition or current status of each proceeding in the space provided in Attachment A).

-3-

**DOT Fitness Questionnaire**

13. Have you been involved in any aircraft accident or incident during the past year, or in the past and which remains the subject of an open investigation by the FAA, NTSB or the Company? Yes        No X

(if "yes", please state the date and other details, including the status of any pending investigations, in the space provided in Attachment A).

  
Signature

CHRISTOPHER S. CHAPMAN  
Printed Name

**Attachments**



**BOSTON-MAINE AIRWAYS CORP.**

Balance Sheet  
(Unaudited)  
December 31, 1999

**CURRENT ASSETS**

CASH	\$ 142,400
ACCOUNTS RECEIVABLE	\$ 90,000
SPARE PARTS & SUPPLIES	\$ 100,000
ASSETS HELD FOR DISPOSITION	\$ 547,800
PREPAID ITEMS	\$ 2,500

**OTHER ASSETS**

Property & Equipment	
Aircraft (improvements to leased property)	\$ 573,000
Flight Equipment Rotable Parts	\$ 50,000
Ground Equipment & Vehicles	\$ 40,000
Test Equipment & Tooling	\$ 100,000
Office Furniture & Equipment	\$ 10,000
Accumulated Depreciation	(\$ -0- )
Net Other Assets	\$ 763,000
Intellectual Property/Goodwill	\$ 25,000

**TOTAL ASSETS** \$ 1,670,700

**CURRENT LIABILITIES**

Trade Accounts Payable	\$ 75,000
Accrued Salaries & Wages	\$ 10,000
Accrued Taxes	\$ 4,000
Accrued Lease Obligations	\$ 37,000
Other Current Liabilities	\$ 5,000

**STOCKHOLDERS EQUITY**

Common Stock	\$ 100,000
Additional Paid-in Capital	\$ 1,400,000
Retained Earnings	\$ 39,700

**TOTAL LIABILITIES AND EQUITY** \$ 1,670,700

### CREDIT LINE AGREEMENT

THIS CREDIT LINE AGREEMENT, dated this 1<sup>st</sup> day of June, 2000, is between Boston-Maine Airways Corp., a New Hampshire corporation having a mailing address of 14 Aviation Avenue, Portsmouth, New Hampshire 03801 (the "Borrower") and Pan American Airlines, Inc., a Florida corporation having a mailing address of 14 Aviation Avenue, Portsmouth, New Hampshire 03801 ("Lender").

Reference is made to the following facts:

A. The Borrower has requested that the Lender extend credit to the Borrower in the form of a revolving line of credit in the amount of \$500,000, and the Lender is willing to establish such credit on the terms and subject to the conditions hereinafter set forth.

B. As consideration for the Lender to establish the credit hereunder and to make the advances under the line of credit, the Borrower is willing to undertake the various agreements, covenants and representations contained herein.

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants hereinafter set forth and intending to be legally bound hereby, agree as follows:

### ARTICLE I

#### AMOUNT AND TERMS OF CREDIT FACILITY

##### 1.1 Credit Facility.

- (a) Loans. Subject to the terms and conditions hereof and relying upon the representations and warranties and covenants set forth herein, the Lender hereby establishes a revolving line of credit in favor of the Borrower in the aggregate principal amount of up to Five Hundred Thousand Dollars (\$500,000) and agrees to make and remake one or more revolving loans to the Borrower. Borrower may borrow from time to time from the Lender such amounts (individually, a "Loan" and collectively, the "Loans") as the Borrower may request, provided that the aggregate principal amount outstanding at any one time shall not exceed Five Hundred Thousand Dollars (\$500,000). Within such limits, the Borrower may from time to time borrow, prepay without penalty, except as required under Section 2.7 of the Agreement, and reborrow in accordance with the provisions of this Agreement. The Loans (i) shall bear interest as provided in Section 1.2, (ii) may be repaid and reborrowed in accordance with the terms hereof, (iii) shall be payable in full at the Maturity Date, and (iv) shall be evidenced by one or more promissory notes of the Borrower payable to the order of the Lender.
- (b) Requests for Advances. An Authorized Representative of the Borrower shall give written or oral notice to the Lender of each such Loan period in advance of the Loan, not exceeding two (2) Business Days, as the Lender may from time to time require. The notice shall specify the amount and date (which shall be a Business Day) of each Loan. Any oral notice permitted by the Lender shall be promptly confirmed by the Borrower in writing. The Lender shall

make the Loan to the Borrower on the date specified in immediately available funds.

- (c) Promissory Note. On the Closing Date, the Borrower shall execute and deliver to the Lender the Note payable to the order of the Lender for the full amount of the Loan. The amount of principal owing on the Note at any given time shall be the aggregate amount of all advances made under subsection 1.1(a) above, less all payments of principal theretofore paid by the Borrower.

1.2 Interest.

- (a) General. The Borrower shall pay interest on all outstanding principal amounts hereunder and evidenced by the Note at the rate and the manner provided below. The Note shall bear interest until paid in full at the Note Rate in effect from time to time from the Closing Date. Interest shall be payable on the applicable Interest Payment Dates. Interest on all Loans shall be calculated on the basis of the actual number of days elapsed over a year of 360 days. Interest on overdue amounts shall accrue and be paid at a rate equal to the Note Rate plus two and one half percent, payable on demand.
- (b) Monthly Interest Payments. The unpaid principal sum for each Loan from time to time outstanding shall bear interest at a rate of Ten Percent (10%) per annum (the "Note Rate").

1.3 Rights in Property Held by the Lender. As security for the prompt satisfaction of all Obligations, the Borrower hereby assigns, transfers and sets over to the Lender all of its right, title and interest in and to, and grants the Lender a lien on and a security interest in, all amounts that may be owing from time to time by the Lender to the Borrower or any of its Affiliates in any capacity, in addition to any right of set-off that the Lender has under this Agreement or otherwise.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

- (a) Corporate/Partnership Existence and Power. Boston-Maine Airways Corp. is a corporation duly incorporated and valid existing under the laws of the State of New Hampshire and is properly licensed and in good standing in every jurisdiction in which it is doing business.
- (b) Corporate Authority. The execution, delivery and performance by the Borrower of this Agreement is within the Borrower's corporate powers, has

been duly authorized by all necessary corporate action, and does not, and will not, contravene, violate, conflict with, or constitute a default under (i) any provision of the certificate of incorporation or bylaws, of the Borrower or other documents of internal governance of the Borrower, (ii) any law or order or (iii) any contractual restriction binding on or affecting the Borrower, and do not result in or require the creation of any lien, security interest or other charge or encumbrance (except as provided in or contemplated by this Agreement) upon or with respect to any of its properties.

- (c) No Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement.
- (d) Binding Effect. This Agreement is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles relating to creditors' rights generally.
- (e) Litigation. There is no pending or, to the best knowledge of the Borrower, threatened action, investigation or proceeding before any court, governmental agency or arbitrator against or affecting the Borrower which may materially adversely affect the financial condition or operations of the Borrower or the ability of the Borrower to perform its obligations hereunder or which purports to affect the legality, validity or enforceability of this Agreement.
- (f) Taxes. The Borrower has filed all United States federal income tax returns and all other federal, state and local tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessments received by the Borrower.
- (g) Compliance with Applicable Laws. The Borrower has all necessary franchises, permits, licenses and other rights to allow it to conduct its business as presently conducted and to own its properties, and is not in default in any respect which would have a materially adverse effect on the financial position, business or properties of the Borrower, under any judgment, order or decree of any court or governmental authority or under the provisions of any agreement to which it is a party or by which it or its property may be bound. To the best of the Borrower's knowledge, the Borrower is complying with all applicable statutes and regulations of each governmental authority having jurisdiction over it or its business.

### ARTICLE III

#### COVENANTS

3.1 Affirmative Covenants of the Borrower. From the date hereof and at all times until the Loans, together with interest thereon, are repaid in full and all other Obligations are satisfied in full, the Borrower will, unless the Lender shall otherwise consent in advance in writing:

- (a) Maintenance of Insurance. Maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as

is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower operates. The Borrower will deliver to the Lender certificates of insurance or copies of policies of insurance required to be carried by or on behalf of the Borrower pursuant hereto with appropriate endorsements designating the Lender, as an additional insured or a loss payee, as the case may be, and cause each such policy of insurance to contain a notice of cancellation provision satisfactory to the Lender and in accordance with insurance industry practice.

- (b) Preservation of Existence, Etc. Preserve and maintain its corporate existence, rights and franchises in good standing and not dissolve or otherwise discontinue its existence or operations and maintain its current ownership structure.
- (c) Compliance with Laws, Etc. Comply with the requirements of all applicable laws, rules, regulations and orders of any governmental or regulatory authority, non-compliance with which would materially adversely affect the Borrowers' business or credit or properties.
- (d) Examination Rights. At any reasonable time and from time to time, permit the Lender or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and to discuss the affairs, finances and accounts of the Borrower and its business and properties.
- (e) Keeping of Books. Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower in accordance with generally accepted accounting principles consistently applied.
- (f) Maintenance of Properties, Etc. Maintain and preserve all of its properties which are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.
- (g) Performance and Compliance with Other Covenants. Pay, perform and comply with each of the terms, covenants and conditions set forth in this Agreement.
- (h) Payment of Taxes, Etc. Pay and discharge, before the same shall become delinquent and before interest starts to accrue, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property, and (ii) all lawful claims which, if unpaid, might by law become a lien upon its property.
- (i) Payment of Expenses. Pay all expenses in connection with the negotiation, preparation, execution, administration, amendment or enforcement of this Agreement (whether or not the Loan is made) and the making, collection and issue of the Loan, including without limitation, the reasonable fees and disbursements of counsel for the Lender.
- (j) Release or Disposal of Hazardous Substances. If the presence or release of any Hazardous Substances by the Borrower or at or from any property owned, occupied or operated by the Borrower has resulted in contamination or deterioration of any portion of such property or any other affected property resulting in a level of contamination greater than the levels permitted or established by any governmental agency having jurisdiction, then the Borrower

shall promptly take any and all action necessary to remove, clean up or otherwise properly dispose of such contamination to the extent required by any governmental authority having jurisdiction or as a condition to the issuance or continuing effectiveness of any governmental approval or any insurance policy that relates to the Borrower or its properties or the property contaminated.

- (k) Indemnification for Hazardous Waste. To the fullest extent permissible according to law, without limiting any other rights or remedies of the Lender, the Borrower unconditionally, absolutely and irrevocably agrees to defend, hold harmless and indemnify the Lender and its officers, employees, agents and contractors against all damages (including consequential damages), claims, costs, losses, liabilities and expenses, including attorneys' fees and costs, suffered or incurred by the Bank due to the existence at any time of any Hazardous Substances at any property owned, occupied or operated by the Borrower or by any other person for whose conduct the Borrower is responsible, or due to any acts or omissions of the Borrower relating to Hazardous Substances, including without limitation, any such claims, costs, losses, liabilities, and expenses arising from the violation of any Hazardous Materials Laws, or the institution of any action by any party against the Borrower or any property owned, occupied or operated by the Borrower based upon nuisance, negligence or other tort theory alleging liability due to the improper generation, storage, disposal, removal, transportation or treatment of Hazardous Substances, or the imposition by any local, state or federal government or governmental agency, department, or authority of a lien, attachment or other encumbrance on any property owned, occupied or operated by the Borrower or by any other person whose conduct the Borrower is responsible.

3.2 Negative Covenants. From the date hereof and at all times until the Loans, together with all interest thereon, are repaid in full and all other Obligations are satisfied in full, the Borrower will not without the prior written consent of the Lender:

- (a) Liens, Etc. Sell or factor any of its accounts receivable or create, incur, assume or suffer to exist, any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, any right to receive income, in each case to secure any debt of any person or entity other than liens to the Lender contemplated under this Agreement.
- (b) Sales, Etc. of Assets. Sell, transfer, lease or otherwise dispose of any of its assets except in the ordinary course of business.
- (c) Mergers, Sales, Etc. Merge with or into or consolidate with or into, or sell, convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any person.
- (d) Restrictions on Distributions. Declare or pay any dividend (except dividends payable solely in its own capital stock) on, or make any other distribution on, or purchase, redeem, retire or otherwise acquire, directly or indirectly, any shares of its stock, or make any distribution of cash, property or assets among the holders of shares of its stock, or make any material change in its capital structure.

- (e) Loans and Investments. Acquire or retain obligations or stock of, or any other interest in, or make any loan or advance to, or investment in, any person other than (i) direct obligations of or obligations guaranteed by, the United States of America or any agency thereof maturing not more than one year from the date of issue thereof, or (ii) certificates of deposit, commercial paper, repurchase agreements or other money market instruments maturing not more than one year from the date of issue thereof, or (iii) interest bearing accounts in a bank which may be withdrawn upon not more than ninety (90) days notice or (iv) commercial paper rated at least A-1, P-1 or the equivalent by any nationally recognized rating agency maturing not more than one year from the date of issue thereof.

#### ARTICLE IV EVENTS OF DEFAULT

4.1 Events of Default. An Event of Default (an "Event of Default") shall mean the occurrence of one or more of the following described events which is not cured within any applicable period of grace or cure:

- (a) the Borrower shall fail to make a payment of principal or interest under the Note when due and a ten (10) day grace period shall have expired;
- (b) any representation or warranty made, or deemed made, by or on behalf of the Borrower (including by any of its officers or directors) herein or by or on behalf of the Borrower (including by any of its officers or directors) in writing in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made;
- (c) the Borrower shall fail to pay, perform or observe any other term, covenant, obligation or agreement contained in this Agreement on its part to be performed or observed or if the Borrower shall have notified the Lender of such failure, such failure shall remain unremedied for thirty (30) days (except where a period of grace is specifically otherwise provided or negated, in which case such specific periods of time or negation shall govern), provided, however, if such failure is not capable of being remedied within such thirty (30) day period, such grace period shall be extended for a reasonable period of time (not to exceed forty-five (45) days) provided Borrower shall commence and diligently take such actions as are necessary to effect such cure;
- (d) any material provision of this Agreement shall, at any time for any reason, cease to be valid and binding on the Borrower or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Borrower or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over the Borrower seeking to establish the invalidity or unenforceability thereof, or the Borrower, shall deny that it has any or further liability or obligation under this Agreement or any other Loan Document;
- (e) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the Borrower, in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator,

assignee, custodian, trustee, sequestrator (or other similar official) of the Borrower, or for any part of its assets, or for the winding-up or liquidation of its affairs, and such proceeding shall remain undismissed or unstayed and in effect for a period of forty-five ( 45) days or such court shall enter a decree or order granting the relief sought in such proceeding; or

#### 4.2 Consequences of Event of Default.

- (a) If an Event of Default of Section 4.1 shall occur and be continuing then the Lender shall not be obligated to make any further Loans hereunder, the Lender shall have the right to terminate the credit and the Lender may, by notice to the Borrower, declare the unpaid principal amount of the Note and interest accrued thereon and all other liabilities of the Borrower hereunder and thereunder to be forthwith due and payable, and the same shall thereupon become and be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.
- (b) If any Event of Default specified in Section 4.1 shall occur, the Lender may exercise all rights and remedies contained in any of the Loan Documents subject to the express terms, conditions, and limitations thereof and shall also have available to it all rights and remedies at law or in equity, all of which may be exercised cumulatively.

### ARTICLE V MISCELLANEOUS

5.1 No Implied Waiver; Cumulative Remedies; Writing Required. No delay or failure of the Lender in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Lender hereunder are cumulative and not exclusive of any rights or remedies which it would otherwise have. Any waiver, permit, consent or approval of any kind or character on the part of the Lender of any breach or default under this Agreement, or any such waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent in such writing specifically set forth.

5.2 Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), telecopy, telex or regular mail, if to the Borrower, at its mailing address set forth in the initial paragraph of this Agreement and if to the Lender, at its mailing address set forth in the initial paragraph of this Agreement or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when delivered, telecopied or telexed, be effective when deposited with the courier or telexed, respectively, addressed as aforesaid.



5.3 Governing Law. This Agreement, the Note and the other Loan Documents and rights and obligations of the parties hereto and thereto shall be governed by and construed and enforced in accordance with the laws of the State of New Hampshire.

5.4 Prior Understandings. This Agreement and the other Loan Documents supersede all prior understandings and agreements, whether written or oral, between the parties hereto relating to the transactions provided for herein.

5.5 Modifications and Amendments. This Agreement may be amended or modified only by an instrument in writing signed by the party against whom enforcement is sought.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement effective as of the day and year first above written.

BOSTON-MAINE AIRWAYS CORP.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

PAN AMERICAN AIRLINES, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

BANK OF  
NEW HAMPSHIRE

BOSTON-MAINE AIRWAYS CORP.  
ARLINGTON LEASING INC DBA  
PAN AM SERVICES  
62 DURHAM ST  
PORTSMOUTH NH 03801

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902-9360768  
06/30/00

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ENCLOSURES 458

TO ENSURE YOUR MOST IMPORTANT CHECKS ARE CLEARED FIRST, WE  
ARE NOW PROCESSING CHECKS IN ORDER OF THE DOLLAR AMOUNT PAID  
FROM THE HIGHEST AMOUNT TO THE LOWEST.

===== CHECKING ACCOUNT SUMMARY =====  
PREVIOUS BALANCE 136,958.69  
+ 29 CREDITS 354,050.02  
- 464 DEBITS 322,630.81  
- SERVICE CHARGES .00  
+ INTEREST PAID .00  
ENDING BALANCE 168,377.90  
AVG COLLECTED BAL 93,889  
YTD INTEREST PAID .00

===== CHECKING ACCOUNT TRANSACTIONS =====  
DEPOSITS AND OTHER CREDITS

DATE	AMOUNT	TRANSACTION DESCRIPTION	
06/08	731.50	ACH DEPOSIT	060800
		BANKCARD	BTOT DEP 413600540004589
06/12	2,413.59	ACH DEPOSIT	061200
		DFAS-CO A&FO	FUELPAYMEN 000002402540045
06/13	13,238.37	ACH DEPOSIT	061300
		DFAS-CO A&FO	FUELPAYMEN 000002402560069
06/14	1,850.40	ACH DEPOSIT	061400
		DFAS-CO A&FO	FUELPAYMEN 000002402570004
06/20	35,958.64	ACH DEPOSIT	062000
		DFAS-CO A&FO	FUELPAYMEN 000002402670042
06/20	1,100.00	ACH DEPOSIT	062000
		BANKCARD	MTOT DEP 413600540004589
06/23	5,514.72	ACH DEPOSIT	062300
		AMERICAN EXPRESS SETTLEMENT	2286527833
06/26	2,795.00	ACH DEPOSIT	062600
		BANKCARD	MTOT DEP 413600540004589
06/02	2,648.00	CHECK DEPOSIT	
06/05	25,025.43	CHECK DEPOSIT	
06/07	24,300.81	CHECK DEPOSIT	
06/08	5,992.03	CHECK DEPOSIT	
06/09	414.04	CHECK DEPOSIT	
06/13	25,698.21	CHECK DEPOSIT	
06/13	403.35	CHECK DEPOSIT	
06/14	1,738.14	CHECK DEPOSIT	
06/15	20,775.00	CHECK DEPOSIT	
06/16	2,690.89	CHECK DEPOSIT	
06/19	30,432.43	CHECK DEPOSIT	

Finance Department

508-663-1251

P.2



STATEMENT OF ACCOUNTS

PAGE 1 OF

941583-47

STATEMENT DATE



**BANK OF  
NEW HAMPSHIRE**

PAN AMERICAN WORLD AIRWAYS  
14 AVIATION AVE  
PORTSMOUTH NH 03801

8

902-9360784

06/30/00

002

PAGE

1

ENCLOSURES

4

4

TO ENSURE YOUR MOST IMPORTANT CHECKS ARE CLEARED FIRST, WE  
ARE NOW PROCESSING CHECKS IN ORDER OF THE DOLLAR AMOUNT PAID  
FROM THE HIGHEST AMOUNT TO THE LOWEST.

```

===== CHECKING ACCOUNT SUMMARY =====
PREVIOUS BALANCE                5,873.92      AVG COLLECTED BAL
+          96 CREDITS            1,386,549.48      16,237
-          49 DEBITS            1,388,106.32      YTD INTEREST PAID
- SERVICE CHARGES                6.25              .00
+ INTEREST PAID                  .00
ENDING BALANCE                  4,310.83
  
```

```

===== CHECKING ACCOUNT TRANSACTIONS =====
DEPOSITS AND OTHER CREDITS
DATE      AMOUNT  TRANSACTION DESCRIPTION
06/01      53,821.00 ACH DEPOSIT                060100
                                BANKCARD                    MTOT DEP  413600540003852
06/01      140.01  ACH DEPOSIT                060100
                                BANKCARD                    MTOT DEP  413600540004564
06/01      100.00  ACH DEPOSIT                060100
                                BANKCARD                    MTOT DEP  413600540004565
06/02      38,682.00 ACH DEPOSIT                060200
                                BANKCARD                    MTOT DEP  413600540003852
06/05      83,363.50 ACH DEPOSIT                060500
                                BANKCARD                    MTOT DEP  413600540003852
06/05      44,949.67 ACH DEPOSIT                060500
                                AMERICAN EXPRESS SETTLEMENT 2282403948
06/05      17,530.00 ACH DEPOSIT                060500
                                BANKCARD                    MTOT DEP  413600540003852
06/05      330.00  ACH DEPOSIT                060500
                                BANKCARD                    MTOT DEP  413600540004166
06/05      219.88  ACH DEPOSIT                060500
                                BANKCARD                    MTOT DEP  413600540004565
06/05      139.87  ACH DEPOSIT                060500
                                BANKCARD                    MTOT DEP  413600540004166
06/05      50.00   ACH DEPOSIT                060500
                                BANKCARD                    MTOT DEP  413600540004564
06/06      26,138.00 ACH DEPOSIT                060600
                                BANKCARD                    MTOT DEP  413600540003852
06/06      165.00  ACH DEPOSIT                060600
                                BANKCARD                    MTOT DEP  413600540004565
  
```



# BANK OF NEW HAMPSHIRE

PAN AMERICAN WORLD AIRWAYS  
IRON HORSE PARK  
N BILLERICA MA 01862

4

902-9386607  
06/30/00  
002

PAGE 1  
ENCLOSURES 567

567

TO ENSURE YOUR MOST IMPORTANT CHECKS ARE CLEARED FIRST, WE  
ARE NOW PROCESSING CHECKS IN ORDER OF THE DOLLAR AMOUNT PAID  
FROM THE HIGHEST AMOUNT TO THE LOWEST.

CHECKING ACCOUNT SUMMARY		
PREVIOUS BALANCE	85,209.95	AVG COLLECTED BAL
+ 15 CREDITS	1,457,952.21	68,290
- 584 DEBITS	1,436,387.40	YTD INTEREST PAID
- SERVICE CHARGES	.00	.00
+ INTEREST PAID	.00	
ENDING BALANCE	106,774.76	

## ===== CHECKING ACCOUNT TRANSACTIONS =====

## DEPOSITS AND OTHER CREDITS

DATE	AMOUNT	TRANSACTION DESCRIPTION	
06/01	122,978.01	WIRE TRANSFER CREDIT	
---	TRANSFER FROM	CL 00189200040016001	
06/02	84,325.86	WIRE TRANSFER CREDIT	
---	TRANSFER TO	CK 00000000007203842	
06/07	30,332.56	WIRE TRANSFER CREDIT	
---	TRANS0090296101210911	AVD0004491631990037830	
06/09	79,822.70	WIRE TRANSFER CREDIT	
---	TRANS0090296220770911	AVD0004491631990037269	
06/12	42,904.79	WIRE TRANSFER CREDIT	
---	TRANS0090298051360911	AVD0004491631020457792	
06/14	27,930.51	WIRE TRANSFER CREDIT	
---	TRANS0090272077980911	AVD0004491631020466355	
06/14	1,163.01	CREDIT -	REVERSAL
	WILLIAM ROUTH		
	RET PAN AMERICAN AIRWAYS		
06/14	855.54	CREDIT	REVERSAL

## REVERSAL

## REVERSAL

JOHNA MAYO  
RET PAN AMERICAN AIRWAYS  
06/15 ~~PP~~ ✓ 327,690.68 WIRE TRANSFER CREDIT  
3 --- TRANS0090296140320911AVD0004491631990038465  
06/16 ~~PP~~ <sup>Pe</sup> ~~PP~~ ✓ 216,419.48 WIRE TRANSFER CREDIT  
--- TRANSFER TO CK 00000000007851883  
06/21 ~~PP~~ <sup>PP</sup> ✓ 26,099.18 WIRE TRANSFER CREDIT  
--- TRANS0090285097390911AVD0004491631020455382  
06/23 ~~PP~~ <sup>PP</sup> ✓ 88,676.23 WIRE TRANSFER CREDIT  
--- TRANSFER FROM CK 00000000007203842  
06/27 ~~PP~~ <sup>PP</sup> ✓ 55,813.70 WIRE TRANSFER CREDIT

12/15/54

**Bank of New Hampshire, N.A.**

MEMBER FDIC

STATEMENT DATE  
06/30/00  
Questions?  
Call our Business  
Banking Center at  
1-800-PARTNER  
(1-800-727-8637)

Cash Reserve Payment

PAN AMERICAN WORLD AIRWAYS INC.  
C/O GUILFORD RAIL SYSTEM  
IRON HORSE PARK  
N BILLERICA MA 01862

CY

464 ENCLOSED ITEMS

Please remit to:  
FLEET BANK  
Cash Reserve  
PO Box 150452

Hartford, CT. 06115-0452

detach

CHECKING	BEGINNING BALANCE	DEPOSITS, OTHER CREDITS	CHECKS, WITHDRAWALS, OTHER DEBITS	INTEREST PAID	ACCOUNT ACTIVITY B. OTHER FEES	ENDING BALANCE
941583-4753	185922.44	3782651.53	3742944.23	.00	.00	225629.74

ACCOUNT NO. 941583-4753 COMMERCIAL CHECKING  
BUSINESS BANKING CENTER ACCESS CODE 0873

PERIOD 06/01/00 THROUGH 06/30/00

## - DEBITS AND CREDITS -

DATE	DEBITS (-)	CREDITS (+)	DESCRIPTION
06-01		140,000.00 ✓	WIRE INTERNAL BOOK TRANS CR 06/01/00 010582
06-01	122,978.01 ✓		OUTGOING NON-REP WIRE VIA PC 06/01/00 010586
06-01	4,063.15 ✓		YP=CTR ORG=PAN AMERICAN WORLD OUTGOING NON-REP WIRE VIA PC 06/01/00 010611
06-02		95,000.00	YP=CTR ORG=PAN AMERICAN WORLD WIRE INCOMING FED 06/02/00 011845
06-02		50,000.00 ✓	YP=CTR ORG=PAN AMERICAN WORLD WIRE INTERNAL BOOK TRANS CR 06/02/00 008250
06-02	84,325.86 ✓		OUTGOING NON-REP WIRE VIA PC 06/02/00 008237
06-05		103,000.00	YP=CTR ORG=PAN AMERICAN WORLD WIRE INCOMING FED 06/05/00 010899
06-05		44,000.00 ✓	YP=CTR ORG=PAN AMERICAN WORLD WIRE INCOMING FED 06/05/00 005041
06-05		12,000.00 ✓	YP=CTR ORG=PAN AMERICAN AIRLIN WIRE INCOMING FED 06/05/00 008626
			YP=CTR ORG=PANAMERICAN AIRWAY

PRANAK  
7-20-200

Notice: See reverse side for important information

ORIGINAL

Exhibit BMA-S/1-8

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

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Application of

BOSTON-MAINE AIRWAYS CORP.

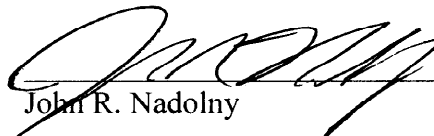
Docket No.OST-00-7668

for the issuance of a certificate of public convenience  
and necessity pursuant to 49 U.S.C. Sec. 41102

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CERTIFICATION

Pursuant to Title 18 United States Code Section 1001, I, John R. Nadolny, in my individual capacity and as Senior Vice President, General Counsel and Secretary of the applicant, have not in any manner knowingly and willfully falsified, concealed or covered up any material fact or made any false, fictitious, or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing or prosecution of this application. I understand that an individual who is found to have violated the provisions of 18 U.S.C. 1001 may be fined not more than \$10,000 or imprisoned not more than five years, or both.

  
John R. Nadolny

State of New Hampshire )  
County of Rockingham )

Subscribed and sworn to before me this 15th day of August, 2000.

  
Notary Public

**M. Blanche Abbott  
Notary Public  
My Commission Expires  
May 12, 2004**



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Attachment A  
Page 1 of 4

400 Seventh St., S.W.  
Washington, D.C. 20590

Mr. Nathaniel P. Breed, Jr.  
SHAW PITTMAN  
2300 N Street, N.W.  
Washington, D.C. 20037

August 11, 2000

*NAT*  
Dear ~~Mr. Breed~~:

I have completed my initial review of the application you filed on behalf of Boston-Maine Airways Corp., for a determination of its fitness to conduct interstate scheduled passenger operations as a certificated air carrier.

This review has revealed the need for additional and/or clarifying information before I can complete processing of the application. I ask that you respond fully to the attached Information Request within 21 days of the date of this letter. The original plus 7 copies of your response should be filed in Docket OST-00-7668. If you wish to seek confidential treatment for any portion of this material, you should use the procedures set forth in section 302.39 of the Department's Regulations. As is the Department's practice, further processing of Boston-Maine's application will be deferred pending receipt of this material.

As a final matter, please remember that Boston-Maine should promptly provide the Department with any information regarding changes it may undergo in areas affecting its fitness (*i.e.*, management, operating plans or financial condition, compliance disposition, or ownership) while its application is under review by the Department.

Thank you for your cooperation in this matter. If you have any questions regarding this letter or the requested information, please feel free to contact me at (202)-366-9721.

Sincerely,

Janet A. Davis  
Senior Analyst  
Air Carrier Fitness Division

## INFORMATION REQUEST FOR BOSTON-MAINE AIRWAYS

### GENERAL INFORMATION

1. As you know, it is the Department's practice to impose aircraft limitations on all newly certificated air carriers. These limitations apply to the entire aircraft fleet of a company, not just to the aircraft utilized by the company to conduct scheduled passenger service. Therefore, please clarify the number of aircraft Boston-Maine intends to utilize in all-cargo and passenger (scheduled and non-scheduled) operations during its first year of certificated operations. Based on the scheduled service plan presented, it appears that Boston-Maine will operate four Jetstreams in scheduled service and maintain two other Jetstreams as spares. Is this correct? Will the scheduled service Jetstreams be in addition to those Boston-Maine currently utilizes to conduct air taxi operations, or will some of the Jetstreams currently utilized in air taxi operations be converted to scheduled service? I note that on page 8 of the application, the applicant indicates that its initial scheduled service between Portsmouth-Bangor will utilize the three Jetstreams currently in its fleet, with two to three more Jetstreams added prior to its start of Sanford-Ft. Myers scheduled service. However, also on page 8, Boston-Maine states that it intends to lease seven **additional** Jetstreams during the remainder of calendar year 2000 and thereafter. By this statement, does Boston-Maine mean that it intends to be operating ten Jetstreams (scheduled and nonscheduled service) by the end of its first year of certificated operations? Finally, does Boston-Maine intend to add any CASA 212 aircraft to its fleet during the next year?

2. Please place a copy of Boston-Maine's Preapplication Statement of Intent for a Part 121 certificate in the public docket of this proceeding, together with information on any changes that have been made to this filing since its original submission to the FAA.

3. The Aviation Disaster Family Assistance Act of 1996 (Title VII of the Federal Aviation Reauthorization Act of 1996 (P.L. 101-264)) added a new section 41113 to the Statute requiring certificated air carriers to develop and submit to the Department and the National Transportation Safety Board a plan ("accident plan") to address the needs of families of passengers and other victims involved in any aircraft accident involving an aircraft of the air carrier and resulting in a major loss of life. The requirement to file an accident plan became effective April 9, 1997. Therefore, please file a copy of Boston-Maine's accident plan in the public docket established for these plans (Docket OST-96-1960) as soon as possible. Further, at the time it submits its accident plan to the Department, Boston-Maine must also submit a copy of this plan to the National Transportation Safety Board at the following address:

Office of Public Affairs  
National Transportation Safety Board  
490 L'Enfant Plaza East, SW.  
Washington, DC 20594

Please note that the Department will not be able to issue a final order regarding Boston-Maine's certification until this requirement has been met. Therefore, please file a notice in the public



docket for this case when Boston-Maine has complied with the Accident Plan requirements noted above.

### **MANAGEMENT AND KEY TECHNICAL PERSONNEL**

1. Please provide a chart showing positions and operating divisions within Boston-Maine's organization that depicts which positions and functions report to whom.
2. For Mr. David A. Fink, President of Boston-Maine, please indicate whether he will delegate the day-to-day management responsibilities for Boston-Maine to some other individual. If so, please identify this individual. If not, please indicate how Mr. Fink will divide his time between his duties with the applicant and the other companies, including specifically Pan American Airways, in which he currently holds senior management positions.
3. For Mr. Gordon R. Long, the applicant's Vice President, General Manager, and Director of Operations, please confirm whether he still holds any positions with Arlington Leasing, Inc. d/b/a Pan Am Services, and, if so, what duties he currently performs for this company. Also, if Mr. Long is still an employee of Arlington Leasing, please state how he will divide his time between his duties with that company and the applicant when it commences scheduled passenger service. In addition, provide a statement as to whether the FAA will require a deviation from Part 119 in order for Mr. Long to hold dual positions with Arlington Leasing and Boston-Maine (as a certificated air carrier). Also, please provide a similar statement as to whether the FAA will require a deviation in order for Mr. Long to serve as both General Manager and Director of Operations for Boston-Maine.
4. For Mr. Hobart T. Livingston, Boston-Maine's Director of Safety, please provide a complete resume that lists dates of employment. In addition, please indicate whether Mr. Livingston will serve concurrently as Director of Safety for both Pan American Airways and Boston-Maine. If so, please indicate the percentage of his time that he will devote to his duties with each carrier. Also, provide a statement as to whether the FAA will require a deviation in order for Mr. Livingston to serve as Director of Safety for both carriers concurrently once Boston-Maine receives a certificate authorizing it to conduct scheduled passenger service.
5. For Mr. Douglas A. Alm, Boston-Maine's Director of Maintenance, please clarify all employment held during the period 1992-1993. I note that the resume provided appears to indicate that Mr. Alm worked for Larry's Flying Service in Alaska, CASA Aircraft in Virginia, and contract maintenance at the USCG Air Station in Miami simultaneously during this period.
6. For Mr. James W. Herring, the applicant's Chief Inspector, it is unclear whether he works for more than Boston-Maine at the present time. Does he currently hold a position with Pan American Airways or one of the other Pan Am entities related to Boston-Maine? If so, please explain how he will divide his time between his duties with that entity and Boston-Maine. Also, provide a statement as to whether the FAA will require a deviation in order for Mr. Herring to hold these dual positions once Boston-Maine receives a certificate authorizing it to conduct scheduled passenger service.

7. For the key technical personnel (Director of Operations, Director of Maintenance, Chief Pilot, Director of Safety, and Chief Inspector), please provide a statement that these individuals meet the qualifications for their respective positions as set forth in sections 119.65 and 119.67 of the Federal Aviation Regulations (14 CFR 119.65 and 119.67).

## **FINANCIAL POSITION AND OPERATING PLANS**

1. According to the information provided, Boston-Maine commenced air taxi operations in June 1999. However, the company has provided an income statement covering only the 6 months ended June 30, 2000. Therefore, please provide an income statement for the company's calendar year 1999 operations. Also, please provide a balance sheet as of December 31, 1999, for Boston-Maine.

2. In Exhibit BMA-108, Boston-Maine sets forth its balance sheet as of June 30, 2000. This balance sheet lists as a current asset the \$500,000 credit facility the company intends to utilize to meet, in part, the Department's funding requirements. Further, this credit facility is then listed as an offsetting long-term liability. Please explain. Has Boston-Maine already drawn on this credit facility? If so, are the funds received being held in some type of "cash" or "like-cash" account? If so, please provide third-party verification. If not, then why has this facility been shown as an asset on the balance sheet? Also, under what conditions may Boston-Maine draw on this facility and what are the terms of repayment? Provide a copy of the credit agreement for the record.

3. Please provide third-party verification of all bank and/or brokerage account balances held in Boston-Maine's name. Please do the same for all bank and/or brokerage account balances held in Pan American Airlines' name.

4. A substantial portion of the current assets shown on both Boston-Maine's and Pan American Airlines' balance sheets are listed as "Assets held for Disposition." Please explain what these assets are and how the value attributed to them was assigned.

## **COMPLIANCE DISPOSITION**

1. Please indicate whether Pan American Airways is current in meeting its PFC obligations.

2. The information provided pursuant to this Information Request should be accompanied by a certification, pursuant to Title 18 United States Code Section 1001, that the individual signing the application, in his or her individual capacity and as the authorized representative of Boston-Maine, has not in any manner knowingly and willfully falsified, concealed or covered up any material fact or made any false, fictitious, or fraudulent statement in connection with the preparation.

**SERVICE LIST - - (Docket OST-00-7668)**

John R. Nadolny  
Senior Vice President and  
General Counsel  
BOSTON-MAINE AIRWAYS CORP.  
Pease International Tradeport  
14 Aviation Avenue  
Portsmouth, NH 03801

Nathaniel P. Breed, Jr.  
SHAW PITTMAN  
2300 N Street, N.W.  
Washington, D.C. 20037

Mr. Anthony Liquori, Manager  
Flight Standards District Office 5  
FEDERAL AVIATION  
ADMINISTRATION  
2 Al McKay Avenue  
Portland, ME 04102

Mark Rowell  
Airport Manager  
PEASE INTERNATIONAL AIRPORT  
36 Airline Avenue  
Portsmouth, NH 03801

Bob W. Ziegelaar  
Airport Director  
BANGOR INTERNATIONAL AIRPORT  
287 Godfrey Boulevard  
Bangor, ME 04401

Victor White  
Executive Director  
ORLANDO SANFORD AIRPORT  
One Red Cleveland Boulevard  
Sanford, FL 32773

Robert M. Ball, A.A.E.  
Executive Director  
SOUTHWEST FLORIDA  
INTERNATIONAL AIRPORT  
16000 Chamberlin Parkway  
Suite 8671  
Ft. Myers, FL 33913